GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:3065
ANSWERED ON:08.12.2000
SICK/CLOSED INDUSTRIAL UNITS
AVSM, BRIG.(RETD.) KAMAKHYA PRASAD SINGH DEO;RATILAL KALIDAS VARMA

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government have identified the reasons for growing sickness/backwardness in various States of the country particularly in Orissa, Gujarat, Bihar, Rajasthan and Madhya Pradesh;

(b) if so, the details thereof;

(c) the steps taken/proposed to be taken to remove or to stop the increasing trend of sickness/backwardness of these States;

(d) the number of industrial units sick/closed in each State as on date;

(e) the number of units out of them closed during the year 1998-99 and 1999-2000;

(f) the number of workers affected in these sick/closed units; and
(g) the steps taken or being taken by the Government to revive these units and to provide employment/rehabilitation to the retrenched workers ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN SINGH)

(a) & (b): Data on sick industrial units, assisted by banks in the country, is compiled by Reserve Bank of India(RBI). According to the latest available RBI report, as at the end of March, 1999,a number of causes, both internal and external, often operating in combination, have been responsible for industrial sickness. The main causes include deficiencies in planing, management, marketing, etc.

Main reasons for industrial backwardness include inadequate infrastructure facilities like power, water, telecom etc. and inaccessibility of the areas in hilly regions of the country.

(c): The Government has taken a number of steps for revival of sick industrial units which, inter alia, include guidelines of Reserve Bank of India to banks, amalgamation of sick units with healthy units, setting up of Board for Industrial and Financial Reconstruction (BIFR) under Sick Industrial Companies (Special Provisions) Act 1985, etc.

The Government also provides a policy regime which facilitates and fosters growth and development of industry in backward regions of the country. These include:-

- Growth Centre Scheme for Infrastructure Development
- Transport Subsidy Scheme
- New Industrial Policy Package for the North Eastern Region.

(d): According to RBI, the number ofindustrial units sick/closed in the State of Orissa, Gujarat, Bihar, Rajasthan and Madhya Pradesh, as at the end of March, 1999 were as under:-

Name of the State	Non-SSI sick/weak units	Non-SSI closed units
Orissa	68	32
Gujarat	223	116
Bihar	74	39
Rajasthan	74	45

Madhya Pradesh 130 58

(e) & (f): Labour Bureau, Shimla, under the Ministry of Labour collects information onindustrial closure. According to available information the details of units closed down under Industrial Disputes Act, 1947 and workers affected due to closure from 1998 to May, 2000 is as under:-

	1998		1999		Upto May, 2000 (Provisional)	
Name of State	Units closed	Workers afected	Units closed	Workers afected	Units closed	Workers afected
Orissa	13	2537	5	350	1	9
Gujarat	34	1067	14	272	4	286
Bihar	4	219	3	90	Not available	Not available
Rajasthan	1	350	5	269	Not available	Not available
Madhya Pradesh	4	274	9	1552	0	0

(g): Assistance is provided under Couselling and Retraining Scheme for counselling, retraining and redeployment of workers rationalised from organised sector. As on 31-10-2000, 70,561 rationalised workers have been counselled, 51,648 retrained and 17,826 redeployed.